

Exhibit 19. Example summary of emergency housing capacity

Site grouping	Acres	Density	Capacity (beds or units)	Total capacity	Total need	Capacity surplus or deficit
Existing hotel conversion			60	240	300	-60
Tiny shelter villages	3	60 units/acre	180			

Based on this deficit, the city reviews its spacing requirements, which had limited the number of available sites to three based on a 1,000-foot spacing requirement. The city evaluates a spacing requirement of 500 feet instead and recalculates the LCA for emergency housing as shown in Exhibit 20.

Exhibit 20. Example summary of revised emergency housing capacity

Site grouping	Acres	Density	Capacity (beds or units)	Total capacity	Total need	Adjusted capacity surplus or deficit
Existing hotel conversion			60	312	300	12
Tiny shelter villages	4.2	60 units/acre	252			

The changes to spacing allow the jurisdiction to have sufficient emergency housing capacity to meet the allocated need. The jurisdiction reduces the spacing requirements for emergency housing and emergency shelters in the community from 1,000 feet to 500 feet with the development regulation updates that accompany the comprehensive plan periodic update.

Chapter 4. Adequate provisions

RCW 36.70A.070(2)(d) requires jurisdictions planning under the GMA to include in their comprehensive plan a housing element that “[m]akes adequate provisions for existing and projected needs of all economic segments of the community, including:

- (i) Incorporating consideration for low, very low, extremely low, and moderate-income households;
- (ii) Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations;
- (iii) Consideration of housing locations in relation to employment location; and
- (iv) Consideration of the role of accessory dwelling units in meeting housing needs.”

The following guidance helps jurisdictions address these requirements. Several checklists in [Appendix B: Adequate provisions checklist](#) support documentation of a jurisdiction’s analysis.

Consideration for low, very low, extremely low and moderate-income households

There are two ways in which jurisdictions should present and incorporate “consideration for low, very low, extremely low and moderate-income households.” Each of these overlaps with other requirements, so as jurisdictions document compliance with the other sections of RCW 36.70A.070, they are also addressing RCW 36.70A.070(2)(d)(i).

- 1) **Identify in their housing element the number of housing units necessary to manage both current and projected housing needs, broken down by income bracket.** These housing needs will be identified through the countywide allocation process discussed in [Establishing Housing Targets for your Community](#) (Housing Element Book 1) using Commerce's published countywide housing needs found in the [Housing for All Planning Tool \(HAPT\)](#).⁶⁴ Exhibit 21 shows an example of allocated housing needs. This presentation should include each income level as well as PSH and emergency housing needs.⁶⁵
- 2) **Document sufficient land capacity to accommodate appropriate housing types for meeting the housing needs** identified in #1 above, as discussed in [Chapter 3. Land capacity analysis](#). The capacity findings should be included in the housing element and indicate that with any necessary amendments to their development regulations, a jurisdiction has sufficient capacity for their allocated housing needs.⁶⁶ More detailed documentation of the land capacity analysis can be presented in an appendix to the comprehensive plan.

Exhibit 21. Example presentation of projected housing needs by income level

Income level	Percent area median income	Net new units needed, 2020-2045
Extremely Low	0-30% Permanent Supportive Housing (PSH)	2,000
	0-30% Other (non-PSH)	4,000
Very Low	>30-50%	3,000
Low	>50-80%	4,000
Moderate	>80-100%	2,000
	>100-120%	3,000
Above Moderate	>120%	6,000
Total		24,000

Temporary housing needs*	Net new beds needed, 2020-2045
Emergency Housing/Shelter	1,000

* Note that emergency housing/shelter projections and allocation assume current trends with regards to meeting all housing needs at each income level. If the jurisdiction succeeds in providing enough housing to meet all permanent housing needs at all income levels, then it is not expected to need as many emergency housing beds.

⁶⁴ Housing for All Planning Tool (HAPT): <https://deptofcommerce.box.com/s/48o8fzedzxn63xth6aofi2jc2npcjoa>

⁶⁵ Emergency housing needs includes both emergency housing and emergency shelter housing needs required under statute.

⁶⁶ [RCW 36.70A.115](#) reads “Counties and cities that are required or choose to plan under RCW 36.70A.040 shall ensure that, taken collectively, adoption of and amendments to their comprehensive plans and/or development regulations provide sufficient capacity of land suitable for development within their jurisdiction to accommodate their allocated housing and employment growth, ...”

Documenting programs and actions needed to achieve housing availability

Jurisdictions are not required to construct housing or ensure housing is produced. However, they are required to identify barriers to housing production and make adequate provisions to accommodate all housing needs. This means they must use the tools at their disposal to create the conditions that make it feasible for developers to build the kinds of housing needed at all income levels.

RCW 36.70A.070(2)(d)(ii) states that jurisdictions must assess "barriers such as development regulations, and other limitations" as part of "documenting programs and actions needed to achieve housing availability." This section describes how jurisdictions are to identify barriers to production and appropriate actions to remove those barriers.

Just as the land capacity assessment breaks down total housing unit capacity by zone category based on housing types or density levels allowed, your barriers assessment should consider factors that may negatively affect production for each type of housing allowed in your community.

For example, a city may be seeing a lot of detached single-family housing production on vacant land, and therefore determine that there are no significant barriers to single-family home construction. However, the same city may be seeing very little production of moderate density housing types such as townhomes or triplexes in zones where those types are allowed. If the city's housing element is relying on capacity for those housing types to meet the needs of moderate-income households, then its housing element should also assess barriers specific to those housing types as well as actions to help overcome those barriers.

Exhibit 22 provides a summary of Commerce's recommended steps for documenting programs and actions to achieve housing availability. Conduct these three steps each housing type and affordability level. However, it is possible that the types of barriers identified and the actions to overcome them will be relevant to more than one housing type or affordability level.

Appendix B: Adequate provisions checklist provides checklists to use in documenting barriers and programs and actions to achieve housing availability, as well as examples of how to complete each of these steps and document the work. Documentation of the barriers to housing availability and the programs or actions needed to overcome these barriers must be in a public document and typically should be included as an appendix to the comprehensive plan housing element.

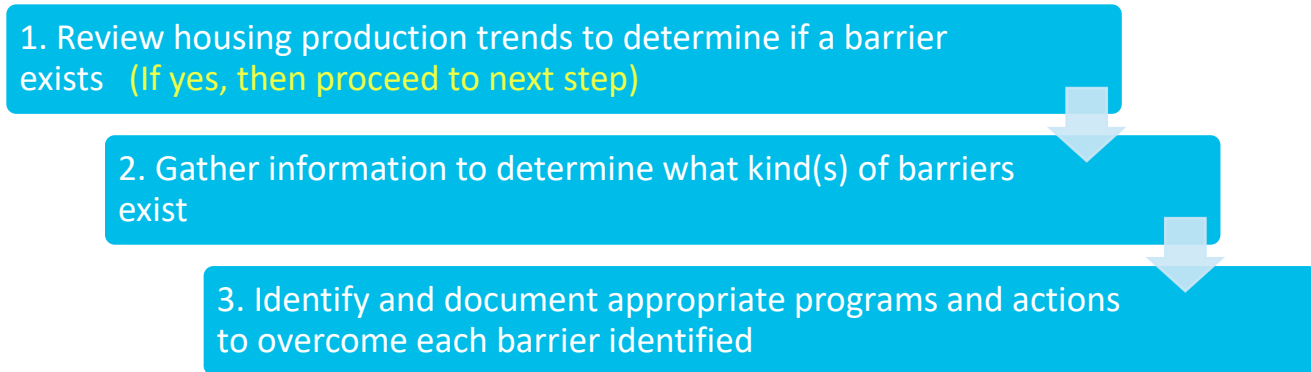
The role of local jurisdictions in housing production

While local governments do not typically build housing, they do influence the regulatory environment in which housing is built. Local governments set requirements for building uses, parking and site design, aesthetics, scale, density and other characteristics that constrain what developers can build, regardless of market demand. Local governments also impose fees for development and control key parts of the permitting process.

In these and other ways, local government decisions affect the cost of development and the predictability of the process, and ultimately influence which housing projects are feasible.

Jurisdictions can encourage certain housing development types by amending these regulations, offering density bonuses, cost reductions or other incentives that impact the developers' bottom line.

Exhibit 22. Recommended steps for documenting programs and actions to achieve housing availability



Step 1: Review housing production trends to determine if a barrier exists

The first step to completing a housing barriers assessment is to review production trends and compare them to the average annual housing production needed. Conduct this review for each type of housing identified in your land capacity analysis as necessary to meet your jurisdiction’s allocated housing needs.

Exhibit 23 provides an example comparison of production trends to housing needs. It follows from the same example used through the land capacity guidance to show how a jurisdiction can build on their land capacity analysis work when evaluating if barriers exist.

- In this example, projected housing needs are first aggregated in three groups based on the zone category and housing type(s) assumed to be most appropriate for meeting the need, based on the LCA.
- Next, it divides the total need by 25 years (2020-2045)⁶⁷ to calculate annual unit production needed.
- Then it includes data about actual historic average annual unit production. This information could come from an analysis of completed building permits for each type of housing over the past five to ten years.
- The final column summarizes if a barrier is found through this analysis. If annual unit production needed is higher than historic average annual unit production, then the column shows a “Yes” to indicate there is a barrier present. If annual unit production needed is lower than historic average annual unit production, then the column shows a “No” indicating there is no significant barrier to building enough of that type of housing to meet housing needs.

This example shows there are barriers to production for Low-Rise, Mid-Rise and Moderate Density housing types, and there are no barriers for Low Density housing types. Therefore, this jurisdiction should move on to the next step to identify relevant barriers for Low-Rise, Mid-Rise and Moderate Density housing.

⁶⁷ Although comprehensive plans plan for a twenty-year period, the best available data for projecting housing needs was the decennial Census. Therefore, the base year for the projected housing needs is 2020.

Exhibit 23. Example comparison of production trends to housing needs to determine if barriers exist

Income level (% AMI)	Projected housing need (2020-2045)	Housing type(s) that best serve these needs	Aggregated housing need (2020-2045)	Annual unit production needed	Historical average annual unit production	Is there a barrier to sufficient production?
0-30% PSH	2,000	Low-Rise and Mid-Rise (walk-ups up to 3 stories, apartments and condominiums)	13,000	520	120	Yes
0-30% Other	4,000					
>30-50%	3,000					
>50-80%	4,000					
>80-100%	2,000	Moderate Density (townhomes, duplex, triplex, 4-plex) + ADUs	5,000	200	80	Yes
>100-120%	3,000					
>120%	6,000	Low Density (single family)	6,000	240	720	No

A jurisdiction should also conduct additional analysis to identify whether housing production is meeting the affordability levels of the allocated housing needs, as well as PSH. This analysis is needed because it is possible that a jurisdiction has seen sufficient production of a housing type such as apartments to meet projected housing needs, but the production may be entirely or predominantly market-rate units that do not meet lower income housing needs.⁶⁸ This indicates there are still barriers to meeting needs at affordability levels below which the market is typically providing, such as 0-30% AMI and 30-50% AMI.

Exhibit 24 provides an example of this analysis. It compares annual unit production needed for four affordability levels of housing not likely to be served by the market to historical average annual unit production. In this case, base the production trend only on the historical production of relevant housing types, such as PSH units or subsidized affordable units for households with incomes at or below 50% of AMI.

Data collection on historical production may come from multiple sources, such as local affordable housing and emergency housing/permanent supportive housing facility developers or records from incentive programs. In addition to local data availability, the Washington Center for Real Estate Research (WCRER) publishes an inventory of the supply of subsidized rental housing in cities with populations greater than 10,000 as well as all counties in Washington.⁶⁹ Each county's Five Year Homeless Housing Plan also has information on PSH and

⁶⁸ Although filtering may help free up units at lower price points, the number of lower-income units created as higher-income or market rate inventory comes online is generally small.

⁶⁹ The focus of the WCRER inventory is on the supply of subsidized rental housing; hence, the inventory seeks to list units in projects that receive subsidies as distinct from units rented by households who receive demand-side subsidies (such as housing vouchers). See <https://wcrer.be.uw.edu/housing-market-data-toolkit/subsidized-rental-housing-profile/>.

emergency housing facilities.⁷⁰ PSRC also has a database of subsidized rental housing in the four-county region ([Income Restricted Housing Inventory](#)).⁷¹

Exhibit 24. Example comparison of sub-market rate housing needs to production trends to determine if barriers exist

Income level (% AMI) and supportive housing needs	Projected housing need (2020-2045)	Annual unit production needed	Historical average annual unit production	Is there a barrier to sufficient production?
Emergency housing/shelter*	1,000	40	25	Yes
0-30% PSH	2,000	80	0	Yes
0-30% Other	4,000	160	40	Yes
>30-50%	3,000	120	80	Yes

*Projected emergency housing and shelter needs may be accommodated through conversion of existing buildings such as hotels and not solely new production.

For any housing type or affordability level where a barrier to sufficient production is identified, the jurisdiction should proceed to the following step and gather information to determine what kind(s) of barriers exist.

If you are already certain there are barriers that need to be addressed for a given housing type or income level, this step can be skipped. However, jurisdictions should document this review to support any claim that no barrier exists for a given housing type, and therefore no action is needed to ensure housing availability.

Step 2: Gather information to determine what kind(s) of barriers exist

There are several types of barriers that can limit or effectively prohibit the production of housing needed to serve all economic segments. Barriers to housing production will vary by community based on local context. Typically, these barriers increase the cost of development, which makes some projects infeasible. Jurisdictions have various options on how to reduce barriers and therefore development costs, as described in Step 3.

Identify barriers through a combination of data collection, staff experience, code review, evaluation of existing permitting process and resources, comparisons with neighboring jurisdictions and developer interviews. Developer feedback should include for-profit, non-profit, affordable housing, emergency housing, permanent supportive housing and small developers (such as residential property owners) to ensure a thorough understanding of the potential barriers to housing development. Guiding questions and checklists for this review are provided in this section and [Appendix B: Adequate provisions checklists](#) for jurisdictions to reflect on and discuss with their communities.

⁷⁰ <https://www.commerce.wa.gov/serving-communities/homelessness/local-government-5-year-plans/>.

⁷¹ <https://www.psrc.org/our-work/income-restricted-housing-puget-sound-region>.

Below is a description of several of the most common kinds of barriers to consider in the review. They are organized in four categories:

- development regulations,
- process obstacles,
- limited land availability and environmental constraints, and
- funding gaps.

Development regulations

Some development regulations limit or effectively prohibit the production of housing types needed to serve all economic segments. Examples of these limitations include:

Unclear development regulations

Regulations should be clear and consistent. Use terms consistently across all code sections and add new definitions as codes are amended. Regulations should also clarify the code interpretation process and which code sections should take precedence in the event of a conflict, because this can help to prevent disagreements during the permitting phase.

Restrictive development standards

Restrictive development regulations often make it more difficult, if not impossible, to construct certain types of moderate density and higher density housing types. These regulations can be a result of community opposition: see “Barriers and community buy-in” in the blue box under “Process obstacles” below for more details.

These regulatory barriers can exist in many forms, many of which may need to be addressed as the result of new legislation limiting restrictions such as design review, owner occupancy and parking:

- High minimum lot sizes⁷²
- Low maximum densities or low maximum floor area ratio
- Low maximum building heights
- Large setback requirements
- High off-street parking requirements⁷³
- Lack of alignment between building codes and development codes⁷⁴

⁷² Minimum lot sizes in urban areas inflate the cost of housing by reducing supply and increasing land costs per unit. In some jurisdictions, minimum lot sizes are actually larger than historic platting patterns.

⁷³ The cost of parking minimums is high: parking in a new development can cost up to \$40,000 or more per stall depending on site characteristics. Additionally, the more parking that is required on site, the less housing that is possible. To remove barriers to housing provided by parking requirements, best practices are to set parking requirements very low and allow the market to determine how much, if any, parking is needed.

⁷⁴ Examples of development regulations that may not align with building codes include [limitations on the number of stories of wood frame construction](#), [sprinkler requirements](#), requirements for double-loaded corridors versus [point-access blocks](#), elevator requirements for mid-sized buildings, or articulation requirements that reduce floorplan efficiencies and increase construction and operating costs.

Other factors outside of local jurisdiction control

In addition to the barriers described in this section, there are other factors that influence housing production and affordability that are outside of the control of local jurisdictions.

These factors might include state-level regulations, inadequate regional transit investments, lack of builder capacity and workforce to meet housing demands, disruptions to building material supply chains, rising labor and materials costs, population growth, employment trends, economic downturns, interest rates, and/or lack of service providers (such as healthcare, mental health treatment, or case management) to support affordable housing and PSH projects. Housing production is also dictated by development market preferences, as some housing types and price points are more profitable than others.

However, regardless of these other factors, under RCW 36.70A.070(2)(d)(ii), jurisdictions must document programs and actions needed to achieve housing availability. As described in

Exhibit 26: Barriers and strategies matrix, there are many actions that jurisdictions

- Restrictive ADU standards, including:
 - larger setback requirements for ADUs than the primary dwelling
 - Owner-occupancy requirements
 - Prohibiting existing structures from being converted into ADUs
 - Additional requirements for middle housing and multifamily housing that are not imposed on single-family housing, such as landscaping, parking and outdoor space regulations
- Spacing requirements, restrictions on support spaces (such as offices), arbitrary limits on number of occupants (in conflict with [RCW 35A.21.314](#)) and other restrictions on emergency shelters, emergency housing, transitional housing and permanent supportive housing that effectively prohibit or limit capacity of these housing types so they cannot meet the projected needs.
- Other barriers, depending on community context and regulation rigidity, such as ground-floor retail requirements, complex design standards, maximum impervious surface cover, tree retention regulations and historic preservation requirements.

Process obstacles

The permitting process can be a major barrier for housing production for both larger and smaller developers. Limitations relating to permitting may be due to complex, unclear or onerous processes; high fees; lengthy review and processing times; or staffing challenges.

Conditional use and other discretionary permit processes

Though a conditional use is not outright prohibited, the discretionary conditional use permit process adds unpredictability as well as costs and time to a proposed housing project. A range of other quasi-judicial permit public hearing processes, including planned unit development, planned residential development and special use permits, have similar effects. These processes result in strong disincentives for developers to propose a project in the first place and can make an otherwise feasible project financially infeasible.

In addition, conditional use permits have sometimes been required for transitional housing and permanent supportive housing specifically because of the use type. Communities can consider using development and design standards to control for impacts, which should be administered by staff instead of requiring a hearing. However, a city, county or other local governmental entity or agency may not adopt, impose or enforce requirements on an affordable housing development that are different than the requirements imposed on housing developments generally.⁷⁵ Different types of conditional use permits have different implications on the

Barriers and community buy-in

Community opposition to allowing certain housing types can be an obstacle to implementing actions and programs necessary to achieve housing availability for all income levels. Jurisdictions should consider how best to involve community members in the process. For example, community engagement during regulation and policy development allows jurisdictions to address resident concerns prior to permitting. This helps build early community buy-in and provides more predictability for housing development during the permitting process once new development regulations are adopted and implemented.

When engaging community members, it is important to seek input from a broad spectrum of residents, not just those with the loudest voices. See Chapter 2 of [Commerce’s Housing Action Plan guidance](#) and [this guidance](#) from PSRC’s Housing Innovations Program for best practices.

Community opposition can be a more significant impediment to housing production in communities with discretionary development approval processes, such as housing only allowed by conditional use, design review requirements, or the need to provide approved community benefits. Streamlining approval of housing development that meets clear objective local design standards and regulatory requirements can reduce delays for individual project proposals and increase predictability for developers.

⁷⁵ [RCW 36.130.020](#).

development process: the conditional use permit public hearing process requires more steps than administrative conditional use permits.

Design review

Design review, when required, can delay bringing new housing on to the market if it is complex or overly prescriptive. In more extreme instances, an overly onerous design review process may lead an applicant to withdraw a permit application or pursue development somewhere else. Providing clear guidance to developers on how to meet design review requirements can help to make this process easier and clearer.

With any design review, jurisdictions should be aware that as of 2023, fully planning counties or cities must update their regulations within six months after the next periodic update so that they apply only clear and objective design regulations to the exterior of new residential development (HB 1293, 2023).⁷⁶

Lack of clear and accessible information about process and fees

Transparency and clear information about fees and steps in the permitting process can help facilitate the creation of new housing and shorten the permitting process. Guidance materials that outline in plain language all submittal requirements needed for a complete application as well as costs and steps in the process, an efficient online permit processing system, and timeline estimates can help to make the process more predictable for developers and mitigate risks for constructing housing.

Permit fees, impact fees and utility connection fees

The costs associated with permitting new housing can impact whether a potential housing project is feasible. This hurdle applies to for-profit developers as well as non-profit affordable housing developers. Jurisdictions may choose to reevaluate such fees or provide exceptions for needed housing types that are not as easy to develop, such as income-restricted affordable housing. Fees can also be scaled according to the impact or size of a dwelling, which can help minimize costs.⁷⁷

Moving forward, six months after the next periodic comprehensive plan updates (2024-2027), local governments must publish a schedule of impact fees which reflects the proportionate impact of new housing units (SB 5258, laws of 2023, amends RCW 82.02.060). Therefore, impact fees shall reflect the proportionate impact of smaller units such as multifamily and condominium units, based on the square footage, number of bedrooms or trips generated.⁷⁸

System development charges, while not required, can also be scaled to the size of the unit to encourage smaller, multi-unit housing development that is typically more affordable.

Processing times and staffing challenges

Long processing times, often impacted by staffing limitations, can be an obstacle to housing development, especially if timelines are unpredictable. Jurisdictions may identify this as a barrier to development and begin

⁷⁶ A clear and objective regulation “must include one or more ascertainable guideline, standard, or criterion by which an applicant can determine whether a given building design is permissible under that development regulation; and may not result in a reduction in density, height, bulk, or scale below the generally applicable development regulations for a development proposal in the applicable zone.” See the Final Bill Report on ESHB 1293 here: <https://lawfilesexternal.wa.gov/biennium/2023-24/Pdf/Bill%20Reports/House/1293-S.E%20HBR%20FBR%2023.pdf?q=20230720162657>.

⁷⁷ For an example of this, see King County’s latest impact fee policies for wastewater charges where the capacity charge rate structure will use average persons per household as the new basis of the capacity charge effective Jan. 1, 2021. See <https://kingcounty.gov/services/environment/wastewater/capacity-charge/review-studies.aspx>.

⁷⁸ See section 10 of the Final Bill Report on E2SSB 5258 located here: <https://lawfilesexternal.wa.gov/biennium/2023-24/Pdf/Bill%20Reports/Senate/5258-S2.E%20SBR%20FBR%2023.pdf?q=20230720170239>.

to make associated changes to improve processing times, thereby encouraging more housing development by increasing permitting timeline predictability and reducing carrying costs for developers.

SB 5290 amends RCW 36.70B to improve clarity on the timelines around complete permit applications. For applications received after January 1, 2025, RCW 36.70B now sets out time periods and application fee portions for different types of permit processing. Jurisdictions will also need to report permit processing information to Commerce. Cities and counties are also encouraged to take additional measures to enable timely permit processing, with additional direction to improve permitting over time.⁷⁹

State Environmental Policy Act (SEPA) process

SEPA review helps agencies identify the likely environmental impacts of projects and policy decisions. The SEPA Rules (WAC 197-11-800(1)(c)) allow cities and counties to raise their exemption thresholds for minor new construction, thereby reducing costs and time in the development process. Many jurisdictions have already modified their exemption thresholds, but some have not. Not raising SEPA exemption thresholds may create additional unnecessary processing time and costs for the permitting of some new housing.⁸⁰ Jurisdictions may also consider using the optional Determination of Non-significance (DNS) process (under WAC 197-11-355) as appropriate, which allows for a single integrated comment period for the notice of application and the threshold determination.

Limited land availability and environmental constraints

While a jurisdiction may have enough land capacity to accommodate all housing needs on paper, in some cases that land is difficult to develop. This may occur when sewer is not available to allow higher density or when most of the capacity is on under-developed parcels that would need to be assembled to provide for feasible multifamily housing development. Environmental constraints, such as the location of critical areas, may affect the feasibility of development on available lands.⁸¹ If local conditions do not provide suitable sites, developers may look elsewhere. Flexible regulations, such as Planned Unit Development and cluster subdivisions, can help mitigate site constraints, or expansion of infrastructure to enable higher density development.

Gaps in local funding

RCW 36.70A.070(2)(d)(ii) requires that local jurisdictions document “gaps in local funding” in their list of programs and actions needed to achieve housing availability. Typically, most affordable housing funding comes from state and federal sources.⁸² However, local funding can also play an important role. A lack of available public funding can be a barrier to housing production and meeting all housing needs in several ways. Some examples include:

- Infrastructure or service costs: Lack of public funding can be a barrier to infrastructure or service level improvements necessary to make new housing development feasible.
- Capital costs for new affordable housing development: This gap includes public subsidies to support the development of new housing for low-income households that cannot afford local market-rate housing

⁷⁹ For more information, see Final Bill Report on 2SSB 5290 here: <https://lawfilesextra.leg.wa.gov/biennium/2023-24/Pdf/Bill%20Reports/Senate/5290-S2%20SBR%20FBR%2023.pdf?q=20230720164530>.

⁸⁰ Several new SEPA exemptions and appeals protections have been added in the past few years. Please see Commerce’s Washington State Housing Laws of 2019 through 2022 here: <https://deptofcommerce.app.box.com/s/jfd6j7vsgpiotketm4c09eekocovd4lc>.

⁸¹ PSRC has [guidance and resources](https://www.psrc.org/our-work/stormwater-parks) on stormwater facility planning, which may be relevant where stormwater capacity is an environmental constraint. See <https://www.psrc.org/our-work/stormwater-parks>.

⁸² For a listing of federal, state and local funding options for housing available as of 2020, see [Appendix D: Resources for funding affordable housing in Washington state](#).

costs. Available federal, state and local funding and financing tools are currently insufficient to support construction of enough homes to meet the needs of all low, very low and extremely low-income households.⁸³

- Operational costs for affordable and supportive housing: Rents for moderate (80-120% AMI) and some low-income (50-80% AMI) units are typically high enough to cover operational costs for housing. However, in many communities, rents for units affordable to very low (30-50% of AMI) and extremely low (0-30% of AMI) income households are not enough to cover operational costs. Additionally, PSH and emergency housing require additional support services for residents.⁸⁴ These services may include basic case management or coordination with medical, behavioral health or other service providers to remain stable and safely housed. Communities or developers may be reticent to build or acquire properties without commitments to provide services in place. Therefore, even if funding is available to build these kinds of housing, lack of funding for operational costs can make these types of housing infeasible.

To address the requirements of RCW 36.70A.070(2)(d)(ii), Commerce recommends that all jurisdictions, at minimum, complete a checklist to document which available local funding tools or incentives are already being used and which tools can be implemented to help close the funding gap. These tools may include ways to raise additional funds for supporting affordable housing development as well as tools to reduce the cost of affordable housing development, such as impact fee waivers and multifamily property tax exemption. While Commerce recognizes that local tools alone are likely to be insufficient for supporting enough subsidized housing production to meet all housing needs, local funding can play an important role. For example, local funding can often be critical during the pre-development phase to make projects more competitive in attracting additional state, federal or private funding.

Appendix B: Adequate provisions checklists provides a recommended checklist that all jurisdictions complete and include in their housing element. Jurisdictions are welcome to add additional local options for closing the funding gap to this list. This same Appendix includes an example of this checklist completed for a hypothetical city.

Methodology for estimating affordable housing funding gap (Optional)

In addition to the proposed method for identifying gaps in local funding for housing needs, the following methodology may be used to roughly estimate the gap in funding associated with capital costs for new affordable housing development. This methodology does not include operational costs and is not relevant for emergency housing.⁸⁵

- 1) **Total annual affordable housing units needed:** Sum the total number of housing units needed at affordability levels below what the market will provide. This should typically include at least units affordable from 0-50% AMI, but in high-cost areas (relative to other parts of the state) it may also include a portion of the housing units affordable in the 50-80% AMI bracket. Then divide by the number of years in

⁸³ In addition to exploring funding mechanisms for subsidized housing, jurisdictions may consider acquiring or surplus property that can be used (wholly or in part) for income-restricted, permanent supportive or emergency housing. This work is possible in partnership with one or more organizations or local governments using affordable housing funds from a local housing tax levy or sales and use tax available for income-restricted housing. In addition, some religious or nonprofit organizations have available land they would be willing to provide, either in fee simple or under a long-term lease, for needed housing. Under state law, religious organizations are entitled to a bonus density over what local zoning would otherwise permit, when the use would be for low-income housing (RCW 35A.63.300).

⁸⁴ In 2022, Commerce performed an analysis of the property operations and maintenance costs and tenant supportive services costs for affordable housing projects that receive funding from the Washington State Housing Trust Fund. This report, titled Washington State Investments in Housing Operations and Tenancy Support Services (2022), is located here: <https://deptofcommerce.box.com/shared/static/1eutafumw7kf5btvqw5i4p4h2lbqkas3.pdf>.

⁸⁵ Costs for emergency housing are not included in these figures as those needs are better planned for in the county level 5-year homeless housing plans required under [RCW 43.185C.050](#).

your planning period to determine the average number of new affordable units that are needed each year to meet your allocated needs.

- 2) **Average annual units produced:** Find data about recent affordable housing production in your community to calculate an average annual production rate.⁸⁶ This is the average number of affordable housing units per year developed in your community with support of any local, state, federal or philanthropic funding or financing, including low-income housing tax credits (LIHTC).
- 3) **Gap in annual affordable housing production:** Subtract your Average Annual Units Produced (#2) from Total Annual Units Needed (#1) to calculate the total gap in average annual production.
- 4) **Gap in funding:** To calculate the total gap in funding, multiply the Gap in Annual Affordable Housing Production (#3) by an assumed total cost per unit. To support this step, Commerce summarized data from the Washington State Housing Finance Commission about the average project cost per unit of LIHTC projects completed between 2015 and 2022 in Exhibit 25.⁸⁷ Jurisdictions can use values from this table for this calculation. A jurisdiction can either select the average cost per unit for their own county or the statewide average if data is not available for their county. If better local data is available, that cost figure may be used with documentation of the cost data per unit.

It is important to note that this methodology will result in a rough estimate of funding gaps in 2022 dollars. Construction costs and interest rates have been escalating rapidly. Therefore, expect the funding gap to grow during the projection period. The methodology also does not consider rents paid by tenants that can offset the total amount of public subsidy needed.

⁸⁶ Ideally, you should analyze five or more years of data to determine the average annual rate of units produced.

⁸⁷ The data analyzed is based on Total Residential Project Cost, which includes the total cost of the residential portion of a project, including land, capitalized reserves and offsite infrastructure improvements. Data is available for 22 counties as well as statewide. The other 17 counties did not have LIHTC projects for new construction completed during the period for which data was available (2015-2022). Unit costs are presented in 2022 dollars. Construction costs have escalated rapidly in recent years, so the total gap in funding will quite likely be higher assuming that units are built over time during the entire planning period.

Exhibit 25. Average cost per unit for new construction LIHTC projects completed between 2015 and 2022

County	Total project count	Average units per project	Total units	Inflation adjusted cost per unit (2022\$)
Adams	1	86	86	\$ 212,217
Benton	5	90	448	\$ 205,397
Chelan	1	67	67	\$ 274,816
Clallam	2	42	84	\$ 359,266
Clark	15	79	1,184	\$ 244,098
Franklin	1	38	38	\$ 318,104
Grant	2	50	99	\$ 242,595
Island	1	26	26	\$ 346,717
King	79	130	10,262	\$ 340,579
Kittitas	1	49	49	\$ 275,122
Lewis	1	35	35	\$ 285,141
Okanogan	4	24	96	\$ 498,625
Pierce	12	121	1,456	\$ 281,780
San Juan	1	45	45	\$ 418,433
Snohomish	23	174	4,001	\$ 297,224
Spokane	20	83	1,665	\$ 217,419
Stevens	1	40	40	\$ 349,962
Thurston	6	117	702	\$ 260,916
Walla Walla	2	54	108	\$ 316,272
Whatcom	5	42	212	\$ 475,818
Whitman	1	56	56	\$ 238,676
Yakima	6	50	302	\$ 265,586
Statewide	190	111	21,061	\$ 307,407

Source: Washington State Housing Finance Commission, 2022; BERK, 2022.

Note: The Inflation-Adjusted Average Cost per Unit includes all costs associated with development, such as land, construction, permit fees and financing. It also adjusts for construction cost inflation to the year 2022 based on the average of two multi-family construction cost indices [available from the Census Bureau](#): Fisher and Laspeyres (<https://www.census.gov/construction/cpi/>). There were no LIHTC projects for new construction during the analysis period for counties missing from this list. For more details about data source, see [Affordable Housing Cost Data](#) (Commerce, 2019), see: <http://www.commerce.wa.gov/wp-content/uploads/2020/01/Affordable-Housing-Cost-Data-Report.pdf>.

Step 3: Identify and document appropriate programs and actions to overcome each barrier identified

RCW 36.70A.070(2)(d)(ii) requires that all jurisdictions document programs and actions needed to achieve housing availability. These programs and actions should be designed to address and overcome barriers to housing development identified by the jurisdiction such as those described above. It is not required that a jurisdiction implement these programs and actions in advance of adoption of the comprehensive plan.⁸⁸ More information about implementation planning is in [Chapter 9. Implementing and monitoring your housing element](#).

Counties and cities subject to the Review & Evaluation Program of RCW 36.70A.215 are responsible for a somewhat similar requirement to identify and implement “reasonable measures,” which are actions necessary to reduce the difference between actual development patterns and assumptions and targets that may be contained in the countywide planning policies and city and county comprehensive plans.⁸⁹ Some reasonable measures that focus on addressing residential development trends may also be relevant to addressing barriers to achieving housing availability. Therefore, the same action(s) can appear in both lists.

However, the requirements for reasonable measures are somewhat different than the requirements in the housing element under RCW 36.70A.070(2)(d)(ii). So, jurisdictions that have adopted reasonable measures related to residential development should carefully review the findings of their barriers analysis to determine whether additional programs and actions to achieve housing availability for all housing types and incomes is needed, and if so, which actions or programs are most appropriate.

Exhibit 26 identifies some examples of programs and actions that may be used to address the barriers to housing production discussed above. This information may support jurisdictions in identifying appropriate programs and actions based on their unique barriers. This list indicates which strategies may be more effective in addressing the identified barriers. Many of these actions overlap with strategies for addressing racially disparate impacts, displacement or exclusion required in housing elements.⁹⁰

Keep in mind that market conditions vary, and some actions or programs may not be as relevant in your community. Commerce’s June 2020 [Guidance for Developing a Housing Action Plan](#) provides a more detailed discussion about selecting actions and strategies that are a good fit for your community type. It may also be appropriate for jurisdictions to select and document other programs or actions that do not appear in this list.⁹¹

⁸⁸ While GMA-compliant comprehensive plans and implementing development regulations (which must provide for sufficient land capacity) must be adopted by the periodic update deadline, actions taken to “make adequate provisions” may be taken after the periodic update deadline.

⁸⁹ See Buildable Lands Guidelines (Commerce, 2018) for more information: <https://deptofcommerce.box.com/shared/static/3admh8ew6olyoqh48js4v6fs4lzcu664.pdf>.

⁹⁰ See Commerce’s [Guidance to Address Racially Disparate Impacts](#) (2023).

⁹¹ <https://deptofcommerce.box.com/shared/static/pophc16jetggsctctmnbjomm0qa7tpu8.pdf>.

Exhibit 26: Barriers and strategies matrix⁹²

Matrix legend: Potential high impact ★ Strategy	Development regulations	Process obstacles	Limited land availability & environmental constraints	Funding gaps
Reduce minimum lot sizes (HAP Guidance Exhibit 22: Z-1 and page 65)	★		★	
Require a minimum density (HAP Guidance Exhibit 22: Z-2 and page 67)	★			
Upzone (HAP Guidance Exhibit 22: Z-3 and page 70)	★		★	
Increase building height (HAP Guidance Exhibit 22: Z-4 and page 73)	★		★	
Integrate or adjust floor area ratio standards (HAP Guidance Exhibit 22: Z-5 and page 75)	★		★	
Increase allowed housing types in existing zones (cottages; 2, 3, 4-plexes; townhouses; micro-housing) (HAP Guidance Exhibit 22: Z-6 and page 77)	★		★	
Increase or remove density limits (HAP Guidance Exhibit 22: Z-7 and page 93)	★		★	
Revise ADU standards (HAP Guidance Exhibit 22: Z-8 and page 95; see also Commerce's ADU Guidance)	★			
Offer density and/or height incentives for desired unit types (HAP Guidance Exhibit 22: Z-9 and page 98)	★		★	
Reduce off-street parking requirements (HAP Guidance Exhibit 22: R-1 and page 99)	★		★	
Relax ground floor retail requirements (HAP Guidance Exhibit 22: R-2 and page 101)	★			
Reduce setbacks, lot coverage and/or impervious area standards (HAP Guidance Exhibit 22: R-3 and page 103)	★		★	
Adopt design standards (HAP Guidance Exhibit 22: R-4 and page 104)	★	★		
Use a form-based approach (HAP Guidance Exhibit 22: R-5 and page 108)	★	★	★	
Planned Unit Development (PUD) / Planned Residential Development (PRD) and cluster subdivisions (HAP Guidance Exhibit 22: R-6 and page 111)	★		★	

⁹² More information is available in the [Guidance for Developing a Housing Action Plan](#).

Matrix legend: Potential high impact ★ Strategy	Development regulations	Process obstacles	Limited land availability & environmental constraints	Funding gaps
Manufactured home and tiny house communities (HAP Guidance Exhibit 22: R-7 and page 112)	★		★	
Allow a variety of housing land use types in more areas (adult family homes, transitional housing, senior housing, etc.)	★		★	
SEPA threshold exemptions (HAP Guidance Exhibit 22: P-1 and page 115, see MRSC for most up-to-date information)		★		
SEPA infill exemption (HAP Guidance Exhibit 22: P-2 and page 117)		★	★	
Subarea plan with non-project environmental impact statement (EIS) (HAP Guidance Exhibit 22: P-3 and page 119)		★		
Planned action (HAP Guidance Exhibit 22: P-4 and page 121)		★		
Protection from SEPA appeals on transportation impacts (HAP Guidance Exhibit 22: P-5 and page 123)		★		
Permitting process streamlining For all housing types or types that the community wishes to encourage, such as affordable housing. (HAP Guidance Exhibit 22: P-6 and page 124)		★		
Subdivision process streamlining (HAP Guidance Exhibit 22: P-7 and page 125)		★		
Multifamily housing tax exemption (MFTE) (HAP Guidance Exhibit 22: A-1 and page 128; Commerce MFTE Workbook and webpage)				★
Density bonuses for affordable housing (HAP Guidance Exhibit 22: A-2 and page 130)	★			★
Alternative development standards for affordable housing , such as reduced parking requirements (HAP Guidance Exhibit 22: A-3 and page 132)	★			
Fee waivers for affordable housing (HAP Guidance Exhibit 22: A-4 and page 133)				★
Inclusionary zoning (HAP Guidance Exhibit 22: A-5 and page 134)	★			
Local option taxes, fees and levies This may include: <ul style="list-style-type: none"> Housing and related services sales tax (RCW 82.14.530) Affordable housing property tax levy (RCW 84.52.105) 				★

Matrix legend: Potential high impact ★ Strategy	Development regulations	Process obstacles	Limited land availability & environmental constraints	Funding gaps
<ul style="list-style-type: none"> • Real Estate Excise Tax 2 (REET 2) (RCW 82.46.035) – GMA jurisdictions only • Affordable Housing Sales Tax Credit (HB 1406 in 2019) – was only available to jurisdictions through July 2020 • Lodging Tax (RCW 67.28.150 and RCW 67.28.160) • General funds (including levy lid lift for affordable housing) • Mental Illness and Drug Dependency Tax – jurisdictions with a population over 30,000 <p>(See HAP Guidance Exhibit 22: F-1 and page 137, MRSC – Funding Local Affordable Housing Efforts, MRSC – Affordable Housing Funding Sources, and AWC – Homelessness and Housing Toolkit)</p>				
<p>Surplus land and other opportunities Including:</p> <ul style="list-style-type: none"> • Donating surplus public land for affordable housing development⁹³ • Acquiring and assembling properties and donating to an affordable housing developer <p>(HAP Guidance Exhibit 22: F-3 and page 139)</p>				★
<p>Partner with local housing providers (HAP Guidance Exhibit 22: F-4 and page 141)</p>				★
<p>Strategic infrastructure and service investments (HAP Guidance Exhibit 22: O-1 and page 144)</p>		★	★	
<p>Simplify land use designation maps (HAP Guidance Exhibit 22: O-2 and page 144)</p>	★			
<p>Local programs to help build missing middle housing, including demonstration projects (HAP Guidance Exhibit 22: O-3 and page 145)</p>		★		
<p>Strategic marketing of housing incentives (HAP Guidance Exhibit 22: O-4 and page 146)</p>	★			★
<p>Temporary emergency housing (HAP Guidance Exhibit 22: O-5 and page 146)</p>	★			
<p>Accommodating emergency/PSH housing facilities (for example, ensuring spacing, occupancy, parking and permitting requirements are reasonable, and not overly restricting support uses such as offices)</p>	★	★		
<p>Short-term rental regulations</p>	★			

⁹³ Affordability level of units produced can be a required condition of sale or donation under a contract with the developer.

Matrix legend: Potential high impact ★ Strategy	Development regulations	Process obstacles	Limited land availability & environmental constraints	Funding gaps
(see this resource from MRSC and Regulating Short-Term Rentals: A Guidebook for Equitable Policy from the Sustainable Economies Law Center)				
Coordination with 5-year homelessness plans This process can help identify and prioritize funding gaps, particularly gaps for support services.				★
Urban growth area swaps Under SB 5593, communities can swap out environmentally sensitive areas that may not develop. See this Commerce fact sheet for more information.			★	
Other resources for potential actions include: <ul style="list-style-type: none"> • Local Housing Solutions, a library of housing strategies • PSRC Housing Innovations Program (HIP), a collection of planning resources to support housing affordability and choice • Commerce’s Guidance for Developing a Housing Action Plan 				

Barrier review checklists and example

Checklists are a useful way to document the barrier review and findings. [Appendix B: Adequate provisions checklists](#), includes checklists for common housing types for accommodating lower- and moderate-income housing needs.

For each housing type you identified as having insufficient production to meet housing need, Commerce recommends that you make a copy of the corresponding checklist in Appendix A, and include it in your HNA. For example, if you found that there is not enough moderate density housing production to meet the projected needs of moderate-income households, you would use the Moderate Density Housing Barrier Review Checklist. For some housing types, it may be appropriate to complete multiple checklists (e.g., if you expect PSH to be built in a mid-rise zone, then you should review barriers to mid-rise development in addition to the PSH checklist). It is important that, while completing the checklists, you consider barriers to both market-rate and sub-market rate housing development.

To provide evidence to indicate the presence or absence of a barrier, you might:

- Reference your buildable lands analysis (for counties and cities that conduct this analysis)
- Document permitting timelines and interview permitting staff
- Review existing code and resources that explain the permitting process to prospective developers
- Compare your code and processes to neighboring jurisdictions
- Review data about permit processing timelines
- Interview local market rate, affordable housing, non-profit and emergency shelter/emergency housing/transitional housing/PSH developers and resident property owners that have prior experience with the needed housing type(s). You may look to developers who work in neighboring areas if there are few in your jurisdiction. Jurisdictions may also choose to work together and interview developers as a group.

Note that, although developer interviews are a source of information about barriers, jurisdictions are not expected to modify regulations to accommodate every developer request. The interview process is intended to better understand the barriers and jurisdictions have a menu of options on how to address these, as described in Exhibit 26: Barriers and strategies matrix above.

Questions for developer barrier information

Guiding questions for developer outreach could include the following:

- Development regulations
 - What regulatory barriers, either state or local, have had a significant impact on the design, timeline or cost of projects?
 - What regulatory changes or incentives would make this housing type development more feasible to build?
 - How do the current parking minimums affect your projects? Would lowering parking requirements make projects more feasible? Could you build more units on a site if parking minimums were reduced?
- Process obstacles
 - What could be improved about the permitting process?
 - Are you able to accurately estimate permitting costs prior to application?
 - Is it easy to find clear information about permitting and what is required of applications?
 - How do permitting and impact fees compare to nearby jurisdictions?
 - Are design review requirements clear?
 - How long has it taken projects to go through design review?
 - How does the conditional use permit process impact your project(s)?
 - How do the SEPA thresholds influence your project(s)?
- Land availability and environmental constraints
 - How have environmental constraints affected your project(s)?
 - Do you experience any challenges with finding suitable land in this jurisdiction for single-family residential / moderate density / high density / emergency housing or PSH facility development?
- Affordable housing funding gaps
 - What kinds of local funding or incentives have you found to be most effective in supporting project feasibility?
- What role(s) can our jurisdiction play in more effectively supporting the financial feasibility of affordable housing projects?
 - Have you built or attempted to build (selected housing type) in this jurisdiction in the past? If yes, what processes and regulations could be improved?
 - Would you consider building new projects that are undersupplied in this jurisdiction in the future? Why or why not?
 - Are there other factors that have made affordable projects more challenging from a design, construction or permitting perspective?

Appendix B: Adequate provisions checklists includes an example of a complete barriers review checklist. Though not required, Commerce recommends that after identifying actions to address barriers, jurisdictions plan for next steps to implement them after the Comprehensive Plan periodic update. For more information on

implementation plans, see "Guidance for implementation planning" in [Chapter 9](#). Implementing and monitoring your housing element.

Housing locations in relation to employment location

The third adequate provision required by RCW 36.70A.070(d) is the consideration of housing locations in relation to employment location. Commerce recommends jurisdictions analyze these issues and document their findings in their HNA. These questions may also prompt possible countywide planning policies and/or housing element policies.

Allocating housing needs with consideration for employment location

First, counties and cities should consider employment location during the housing needs allocation process, as detailed in the "Allocating housing needs" chapter of Commerce's [Establishing Housing Targets for your Community](#) (2023) guidebook. Some considerations include:

- Consider increasing capacity and encouraging housing production near employment centers and areas of planned employment growth. This includes housing types that are affordable to the local workforce.
- Consider the location of transit routes and high-capacity transit serving employment centers. It may be appropriate to focus more housing growth in jurisdictions that have high quality transit serving employment centers than elsewhere in the county.
- Consider the wage level of jobs in each jurisdiction,⁹⁴ and the alignment with local housing affordability. This consideration can inform the allocation of housing need by income level. One great source of information about local job counts and wage levels is [Census OnTheMap](#).⁹⁵ You can use this tool to select a city or Census defined place, and then see a breakdown of jobs located inside those boundaries. [LEHD Origin-Destination Employment Statistics](#) are another potential source.⁹⁶

For PSRC jurisdictions, additional direction is provided in [VISION 2050 and the Regional Growth Strategy](#).⁹⁷

Planning for housing within your jurisdiction

Jurisdictions can also show consideration of housing locations in relation to employment location by conducting several kinds of analysis that can be documented in your HNA and referenced in your housing element. Recommended analysis includes:

- **Evaluating housing proximity/access to employment locations within the jurisdiction.** Identify job centers within your jurisdiction as well as major transit routes that connect to job centers. Identify areas zoned for moderate and higher density housing. Are the areas zoned for higher density housing within walking or biking distance of the job centers or connected via transit? What other neighborhoods are connected to job centers either via proximity or transit? Are there opportunities for increased housing density and diversity in these areas?
- **Evaluating housing proximity/access to employment locations outside of the jurisdiction.** Identify job centers outside the jurisdiction but within reasonable commute distance. Identify major transit routes that connect to outside job centers. Identify areas zoned for higher density housing. Are the areas zoned for

⁹⁴ Note that this number will be different from the median income for residents, since many residents commute to jobs outside of their own home jurisdiction.

⁹⁵ <https://onthemap.ces.census.gov/>.

⁹⁶ <https://lehd.ces.census.gov/>.

⁹⁷ <https://www.psrc.org/planning-2050/vision-2050>.

higher density housing within commute distance of job centers or connected via transit? What other neighborhoods are connected to job centers either via proximity or transit? Are there opportunities for increased housing density and diversity in these areas?

- **Evaluating housing needs of local workforce.** Planners should also examine the wage levels and types of jobs located inside their jurisdictional boundaries⁹⁸ as well as the housing needs of these workers. What kinds of housing are most affordable to people earning those wages and are those housing types available within your jurisdiction? Does a broader diversity of housing options need to be allowed and encouraged in your jurisdiction? Where do these housing units need to be located to provide adequate access to these local jobs?

Consideration of the role of ADUs in meeting housing needs

Housing elements must also consider the role of accessory dwelling units (ADUs) in meeting housing needs according to RCW 36.70A.070(2)(d)(iv). In 2023, HB 1337 changed the way local governments planned for ADUs. See sidebar for more information on these changes and Commerce's [Periodic Update checklist](#) for what to consider when updating your ADU regulations.⁹⁹

Commerce recommends all jurisdictions consider the issues and questions outlined below. Answers to the following questions, can help jurisdictions to develop defensible assumptions about the role that ADUs can realistically play in meeting housing needs. For additional guidance, see [Commerce guidance on ADUs \(2023\)](#).¹⁰⁰

Questions to consider

What kinds of ADUs are likely to be developed in your community?

You can review ADU permit data to understand the types of ADUs that are being produced in your community, but be aware this will change with updates required with [HB 1337 \(2023\)](#).¹⁰¹ Answer questions such as:

- Where are new ADUs being produced? Which zones have lots large enough for detached ADUs?
- Is the local market strong enough to produce ADUs if they are allowed?
- Is there potential for new attached or basements suites within existing housing?
- Are there students or other populations that would increase the demand for ADUs?
- Is it likely that new ADUs could be sold as condominiums for separate ownership than the primary housing unit or subdivided off from large lots in your community?

Answers to these questions will help you understand what kinds of new housing are being created through new ADU production, and therefore what kinds of households might be accommodated.

⁹⁸ [Census OnTheMap](#) is a good source of information about local job counts, job types and wage levels. You can use this tool to select a city or Census defined place, and then see a breakdown of jobs located inside those boundaries. <https://onthemap.ces.census.gov/>

⁹⁹ <https://www.commerce.wa.gov/serving-communities/growth-management/periodic-update/>.

¹⁰⁰ Commerce's ADU guidance is available on the Middle Housing webpage: <https://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-middle-housing/>.

¹⁰¹ <https://lawfilesexternal.wa.gov/biennium/2023-24/Pdf/Bills/Session%20Laws/House/1337.SL.pdf?q=20230828130502>.